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SUPPLEMENT TO REPORT NO. 25X1

COUNTRY East Germany

SUBJECT Modifications of the Construction Program
for Seafaring Ships

PLACE
ACQUIRED

DATE OF INFO.

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The building program for seagoing ships was changed following a decree by the Soviet Zone Government. The following vessels were henceforth to be built from 1952 to 1955 under the Five-Year-Plan: 20 motor coasters, each of 350 GRT, 4 type I merchant ships each of 1,100 GRT, 8 type II A merchant ships each of 2,700 GRT, 4 type IV merchant ships each of 6,500 GRT, and another 30 motor coasters each of 2000 GRT. . 4

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Careful investigation of the economic and traffic situations showed that the types of vessels which have been included in the shipbuilding program for seagoing ships do not meet the requirements which our foreign trade expects of our seagoing merchant fleet.

In order to meet these demands, it was necessary to amend the original building program both as to the numbers of ships to be built and their types.

As a result, the Government of the Deutsche Demokratische Republik (German Democratic Republic) (DDR) issued the following decree:

1. The Main Administration for Shipbuilding of the Ministry for Machine Construction ordered the subordinate shipyards to build the following seagoing ships under the Five-Year Plan beginning in 1952:

Type of Ship	Number of Ships	GRT per Ship	Deadweight Capacity Tons per Ship	Total Gross Tonnage (GRT)	Total dead-weight capacity in tons
motor coaster (sic)	20	350	550	7,000	11,000
type I	4	1,100	1,300	4,400	5,200
type IIa	8	2,700	5,000	21,600	40,000
type IV	4	6,500	9,550	26,000	38,200
Total	36			59,000	94,400
and motor coaster (sic)	30	200	350	6,000	10,500

The motor coasters, (sic) which are for inland and seagoing traffic will be built in the inland shipyards of the Main Administration for Shipbuilding of the Ministry for Machine Construction.

2. The constructional development of a ship for the Far East trade with a deadweight capacity of about 13,000 to 14,000 tons deadweight and a registered gross tonnage of about 7,000 to 7,500 GRT will be completed by the end of the Five-Year Plan by the Centrale Schiffbau-, Konstruktions- und Projektbuero des Hochseeschiffbaues (Shipbuilding, Ship Design and Project Office for the Construction of Seagoing Ships).
3. In addition to beginning the construction of types I through IV in the coastal shipyards, which was planned under the national economic plan for 1952, the construction of motor coasters (sic) of about 550 tons deadweight and 350 GRT was to be started in 1952.

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4. The Directorate General, Shipping, takes over the ships from the shipyards through its shipping corporation at world market prices. The difference of the ship prices exceeding the world market prices during the initial period at the shipyards, will be paid by the Ministry of Finance directly to the shipyards. The world market price will be determined by the Main Department for Prices of the Ministry of Finance as had already been done with acceptance prices for types I and IV.

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The sea traffic in 1952 is expected to be about 4.5 million tons; therefore a total of 100,000 GRT would be needed this year to maintain a 40 to 50 percent ratio of vessels of our own flag.

Specifically, the traffic plan is as follows:

Country	incoming	outgoing
U.S.S.R.	561,000 tons	465,000 tons
Albania	7,000 "	3,000 "
China	150,000 "	68,000 "
Finland	14,000 "	130,000 "
The Netherlands, Belgium, France	256,000 "	58,000 "
North Africa	100,000 "	-
Denmark, Sweden, Norway	137,000 "	1,143,000 "
Other capitalistic countries	202,000 "	1,048,000 "
	1,457,000 tons	2,920,000 tons

The U.S.S.R. holds first place in maritime traffic; a distinction is to be made between the Baltic Sea, the Black Sea, the White Sea, and the Arctic Sea.

The cargo situation of all foreign trade is as follows:

Baltic Sea.

The principal cargo for the U.S.S.R. is finished goods, namely machinery, mixed cargo, chemicals, and cement and sugar. Incoming cargo included grain, lumber, and mixed cargo. Shipments of mass production goods are characteristic of the traffic with the Scandinavian countries in both directions.

Black Sea.

Except for a few grain carriers, traffic with the Black Sea ports has not been very important until now. With the expanding foreign trade resultant from the Five-Year Plan, and with the necessity of reducing railroad traffic, maritime traffic must be increased, particularly, with regard to grain, and possibly ore, shipments from the U.S.S.R., and mixed cargo shipments to Soviet and Bulgarian ports.

White Sea and Arctic Sea.

The principal shipments include raw phosphates and apatite ores from Arkhangelsk and Murmansk and, at a later date, lumber.

North Sea.

The principal shipments in the trade with the Benelux countries and France are bulk cargo; outgoing shipments include fertilizers, briquettes and general cargo; incoming shipments include superphosphate and Thomas meal.

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North Africa.

Raw phosphate from North Africa, estimated to be about 100,000 tons in 1952, is the most important import.

Far East.

Special attention must be paid to the trade with China. It is known that only a small part of the demand for tonnage can be met by ships of friendly nations such as Poland and the U.S.S.R. and that, therefore, it is necessary to charter ships of the capitalist nations. This may result in trouble.

Imports from China in 1952 will include: 80,000 tons of soya beans, 15,000 tons of peanuts, 50,000 tons of various commodities. Most shipments are bulk cargo. Exports will include mainly machinery, chemicals, bicycles, optical instruments and similar items.

This analysis of the maritime transport plan for 1952 indicates that, as mentioned at the beginning, there is already a demand for a tonnage of about 100,000 GRT which is on the increase as a result of the development of foreign trade under the Five-Year Plan. The latter will nearly duplicate the previous trade volume. The considerations concerning the various goods will also apply in coming years, since there will be no fundamental change of the general character of exports and imports, except for the development of the construction of heavy machinery. In the future, bulk exports will include only fertilizers, salts, cement, sugar and other valuable industrial products. Exported commodities will still include grain, apatite ores, lumber, soya beans and other raw material and semi-finished goods, plus general cargo.

The so-called old "Berlin Program" had been prepared by engineers only without the advice of traffic experts and traffic economists. An appropriate examination by the new Traffic Research Section at the Research Institute of Shipping indicates that in its present form this program is not suited to provide the future National Sea Shipping Company with the ships capable of meeting the requirements of the foreign trade of the Deutsche Demokratische Republik (German Democratic Republic) (DDR) and would not guarantee a sound operation of the National Sea Shipping Company.

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